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**DEPARTMENT OF TRANSPORTATION**

**National Highway Traffic Safety Administration**

**Docket No. NHTSA-2016-0132**

**Reports, Forms, and Record Keeping Requirements**

**AGENCY:** National Highway Traffic Safety Administration, DOT

**ACTION:** Request for public comment on proposed collection of information.

**SUMMARY:** Before a Federal agency can collect certain information from the public, it must receive approval from the Office of Management and Budget (OMB). Under procedures established by the Paperwork Reduction Act of 1995, before seeking OMB approval, Federal agencies must solicit public comment on the proposed collection of information.

This document describes a proposed collection of information under regulations in 49 CFR parts 591, 592, and 593 that pertain to the importation of motor vehicles and items of motor vehicle equipment that are subject to the Federal motor vehicle safety, bumper, and theft prevention standards.

**DATES:** Comments must be received on or before [60 days after publication in the Federal Register].

**ADDRESS:** You may submit comments [identified by DOT Docket No. NHTSA-2016-0132 by any of the following methods:

- Federal eRulemaking Portal: Go to <http://www.regulations.gov>. Follow the online instructions for submitting comments.
- Mail: Docket Management Facility: U.S. Department of Transportation, 1200 New Jersey Avenue S.E., West Building Ground Floor, Room W12-140, Washington, D.C. 20590-0001
- Hand Delivery or Courier: West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue S.E., between 9 a.m. and 5 p.m. ET, Monday through Friday, except Federal holidays.  
Telephone: 1-800-647-5527.
- Fax: 202-493-2251

*Instructions:* All submissions must include the agency name and docket number for this proposed collection of information. Note that all comments received will be posted without change to <http://www.regulations.gov>, including any personal information provided. Please see the Privacy Act heading below.

*Privacy Act:* Anyone is able to search the electronic form of all comments received into any of our dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review DOT's complete Privacy Act Statement in the *Federal Register* published on April 11, 2000 (65 FR 19477-

78) or you may visit <http://DocketInfo.dot.gov>.

*Docket:* For access to the docket to read background documents or comments received, go to <http://www.regulations.gov> and follow the online instructions for assessing the dockets. Alternately, you may visit in person the Docket Management Facility at the street address listed above.

**FOR FURTHER INFORMATION CONTACT:** Coleman Sachs, Office of Vehicle Safety Compliance (NEF-230), National Highway Traffic Safety Administration, West Building - 4<sup>th</sup> Floor- Room W45-205, 1200 New Jersey Avenue, SE, Washington, DC 20590. Mr. Sachs' telephone number is (202) 366-3151. Please identify the relevant collection of information by referring to its OMB Control Number.

**SUPPLEMENTARY INFORMATION:**

**Prior Approval**

On December 19, 2013, NHTSA submitted to OMB a request for the extension of the agency's approval (assigned OMB Control No. 2127-0002) of the information collection that is incident to NHTSA's administration of the vehicle importation regulations at 49 CFR parts 591, 592, and 593. On April 13, 2014, OMB notified NHTSA that it had approved this extension request through April 30, 2017. That approval was based on

NHTSA submissions identifying information being collected on an annual basis from 63,818 respondents, expending 61,882 hours of effort, at a cost of \$1,454,120. NHTSA wishes to file with OMB a request for that agency to extend its approval for an additional three years.

### **Changes in Program**

Since the information collection associated with NHTSA's importation program was last approved by OMB, significant changes have taken place that impact the information collection and the assessment of its burden on affected members of the public. These have resulted, in part, from the increasing strength of the U.S. Dollar against foreign currencies, particularly the Canadian dollar, which has led to a significant increase in the volume of vehicles imported from Canada. Another factor that has impacted the information collection is the transitioning in the filing of NHTSA-required import data from U.S. Customs and Border Protection's (CBP's) legacy Automated Commercial System (ACS) to the new Automated Commercial Environment/International Trade Data System (ACE/ITDS). With its integration into ACE, which began on August 1, 2015 and was completed by July 28, 2016, NHTSA is receiving more accurate and complete information on the importation of the commodities it regulates. As a consequence,

the volume of entries, in some instances, has greatly increased from the volume received in prior years. For example, the volume of entries for vehicles at least 25 years old that can be imported without regard to their compliance with the Federal motor vehicle safety standards (FMVSS) and equipment items manufactured prior to the date that any applicable standard has taken effect, both of which are declared under Box 1 on the HS-7 Declaration form, has increased by a factor of nearly two hundred, from roughly 13,000 entries in 2012 to nearly 2.5 million entries in 2015. There has been a 25 percent increase in the volume of vehicles conforming to the FMVSS that are imported under Box 2A, from 5.6 million in 2012 to nearly 7 million in 2015. The volume of vehicles not originally manufactured to the FMVSS that are imported by registered importers under Box 3 has increased more than sevenfold, from roughly 30,000 vehicles in 2012, to over 216,000 vehicles in 2015. More than 99 percent of these vehicles are imported from Canada, whose dollar, as previously indicated, has significantly weakened against the U.S. dollar. Perhaps influenced by the same factors, there has been nearly a doubling in the volume of Canadian-certified vehicles imported by individuals for personal use under box 2B, from 1,275 in 2012 to nearly 2,400 in 2015. There has been a fourfold

increase in the volume of vehicles imported for export only under Box 4, from roughly 20,000 vehicles in 2012 to slightly more than 83,000 in 2015. The volume of nonconforming vehicles temporarily imported for research or demonstration purposes under Box 7 has increased by nearly 25 percent, from 6,000 vehicles in 2012 to 7,319 in 2015. Finally, the volume of vehicles not originally manufactured for use on public roads that are declared as off-road vehicles not subject to the FMVSS under Box 8 has increased by nearly one third, from 326,000 in 2012 to 421,526.

The focus of NHTSA's importation program has traditionally been on vehicles that were not originally manufactured to comply with all applicable FMVSS. These vehicles must be imported by a registered importer (RI) under bond to ensure that the vehicles are brought into compliance with applicable standards following importation. Nonconforming vehicles are entered under Box 3 on the HS-7 Declaration form. In calendar year 2002, 212,210 nonconforming vehicles were imported under Box 3. Over 97 percent of those vehicles were imported from Canada. In 2003, after the U.S. dollar began to weaken against the Canadian dollar, the volume of nonconforming vehicle imports under Box 3 was reduced by more than half, to 97,337 vehicles. The trend accelerated over the next five years, with

43,648 vehicles imported under Box 3 in 2004, 12,642 imported in 2005, 10,953 imported in 2006, 7,470 imported in 2007, and 6,311 imported in 2008. After the U.S. dollar had gained some strength against the Canadian dollar, the volume of imports under Box 3 increased to 10,752 vehicles in 2009, and continued to increase to 18,010 vehicles in 2010, 22,733 vehicles in 2011, and 30,138 in 2012. In 2013, 36,292 vehicles were imported under Box 3. With the increasing strength of the U.S. dollar against the Canadian dollar, this figure more than doubled in 2014, when 73,814 vehicles were imported, and then tripled in 2015, when a record 216,814 were imported.

When NHTSA last requested OMB approval for the information collection associated with the vehicle importation program, the agency estimated that 23,600 nonconforming vehicles would be imported on an annual basis under Box 3, for which HS-7 Declaration forms and HS-474 DOT Conformance bonds would have to be furnished. The agency estimated that it would take five minutes to complete each HS-7 Declaration form, and six minutes to complete each HS-474 DOT Conformance bond, for a total expenditure of 4,327 hours to complete these forms. Given the significant rise in nonconforming vehicle imports under Box 3 in recent years, future projections should assume an average of 109,000 vehicle imports per year. Relying on this figure, the

hour burden associated with the completion of paperwork for these vehicles would be close to 19,873 hours (0.08333 hours to complete each HS-7 X 109,000 vehicles = 9,083 hours; 0.1 hours to complete each HS-474 X 109,000 vehicles = 10,900 hours;  $9,083 + 10,900 = 19,983$  hours). This represents nearly a 462 percent increase in burden hours associated with these entries when compared to the figures used when OMB approval was last obtained.

Cumulatively, the changes in the vehicle importation program detailed above have produced more than a four-fold increase in the hour burden associated with all aspects of the program, from an estimated 61,882 hours when OMB approval was last sought in 2013, to an estimated 252,263 hours in this document, as specified more fully below.

### **Scope of Accounting for Burdens**

In this document, the agency has not focused exclusively on vehicles imported under the RI program, but has instead made a concerted effort to quantify the hour burden associated with the completion of paperwork for vehicles and equipment items imported in any legitimate way under NHTSA's regulations (49 CFR parts 591, 592, and 593). As a consequence, we are providing particular information on the paperwork burden associated with the importation of conforming motor vehicles;



the temporary importation of nonconforming vehicles for personal use by nonresidents and by foreign diplomatic and military personnel; the temporary importation of nonconforming vehicles for purposes of research, investigations, demonstrations or training, and other similar purposes; the importation of vehicles that are not primarily manufactured for on-road use; and other entry categories permitted under the agency's regulations. In addition, we have attempted to account for all forms, whether required or optional, and other types of information solicitations associated with vehicle and equipment importation that appear on the agency's website and in newsletters and other informational media that we employ to inform RIs and others of our requirements. Accounting for all paperwork burdens in this manner, we project that a total of 252,263 hours will be expended each year to complete paperwork associated with all aspects of NHTSA's program that regulates the importation of motor vehicles and equipment items subject to the FMVSS. As described above, this represents more than a four-fold increase over the 61,882 burden hours that were estimated when OMB approval was last sought in 2013.

#### **Issues for Comments to Address**

Under the Paperwork Reduction Act of 1995 (PRA), before an agency submits a proposed collection of information to OMB for

approval, it must publish a document in the **Federal Register** providing a 60-day comment period and otherwise consult with members of the public and affected agencies concerning each proposed collection of information. The OMB has promulgated regulations describing what must be included in such a document. Under OMB's regulations (at 5 CFR 1320.8(d)), an agency must ask for public comment on the following:

(i) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(ii) The accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions;

(iii) How to enhance the quality, utility, and clarity of the information to be collected; and

(iv) How to minimize the burden of the collection of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

#### **Solicitation of Comments**

In compliance with these requirements, NHTSA is requesting public comment on the following proposed collection of information:

*Title:* Importation of Vehicles and Equipment Subject to the Federal Motor Vehicle Safety, Bumper, and Theft Prevention Standards.

*Type of Request:* Extension of a Currently Approved Collection.

*OMB Control Number:* 2127-0002.

*Affected Public:* Importers of vehicles and regulated items of motor vehicle equipment.

*Requested Expiration Date of Approval:* April 30, 2020.

*Summary of Collection of Information—*

**1. Declaration requirement for the importation of motor vehicles and regulated items of motor vehicle equipment:**

NHTSA's regulations at 49 CFR part 591 provide that no person shall import a motor vehicle or regulated item of motor vehicle equipment (e.g., tires, rims, brake hoses, brake fluid, seat belt assemblies, lighting equipment, glazing (i.e., windshield and window glass), motorcycle helmets, child restraints, compressed natural gas containers (used as part of a vehicle fuel system and not for the purpose of transporting natural gas), reflective triangular warning devices, rear impact guards

for trailers, and platform lift systems for the mobility impaired) unless the importer files a declaration. See 49 CFR 591.5. This declaration is filed with U.S. Customs and Border Protection (Customs) on a paper copy of the HS-7 Declaration form, or, if the entry is made by a Customs House Broker, it can be made electronically using Customs' Automated Broker Interface (ABI) system. The HS-7 Declaration form has 14 boxes, each of which identifies a lawful basis for the importation of a motor vehicle or equipment item into the United States.

**a. Importation of vehicles at least 25 years old or equipment not subject to the safety standards under Box 1:** A motor vehicle at least 25 years old can be lawfully imported without regard to its compliance with the FMVSS. So too can an equipment item manufactured on a date when no applicable FMVSS was in effect. These vehicles and equipment items are declared under Box 1 on the HS-7 Declaration form. In calendar year 2013, 15,419 entries were made for vehicles and equipment items imported under Box 1. In 2014, 633,115 entries were made, and in 2009, the volume of entries increased to 2,487,196. Based on an average of these figures, the agency projects that roughly 1,045,243 entries will be made under Box 1 over the next three years ( $15,419 + 633,115 + 2,487,196 = 3,135,730$ ;  $3,135,730 \div 3 = 1,045,243$ ). Assuming that an HS-7 Declaration

form is filed for each of these entries, and that it will take five minutes to complete each of these forms, the agency estimates the hour burden associated with completing the paperwork for these entries to be approximately 87,100 hours per year ( $0.08333 \text{ hours} \times 1,045,243 = 87,100 \text{ hours}$ ).

**b. Importation of conforming vehicles and equipment under**

**Box 2A:** Vehicles and equipment that are originally manufactured to comply with all applicable Federal motor vehicle safety, bumper, and theft prevention standards, and that bear a label or tag certifying such compliance that is permanently affixed by the original manufacturer, are declared under Box 2A on the HS-7 Declaration form. In 2013, 5,823,028 vehicles were imported under Box 2A. In 2014, the figure increased to 6,508,918 vehicles, and increased again in 2015, to 6,909,140. Based on an average of these figures, the agency projects that roughly 6,413,695 vehicles will be imported each year under Box 2A for the next three years. The overwhelming majority of vehicles entered under Box 2A are imported by original manufacturers. As a rule, manufacturers do not file a separate HS-7 Declaration form for each conforming vehicle they import under Box 2A. Instead, the manufacturers furnish NHTSA with a single declaration form, on a monthly basis, to which they attach a list of all vehicles, identified by make, model,

model year, and vehicle identification number (VIN), that were imported under Box 2A during that month. In this manner, it is not unusual for a single HS-7 Declaration form to be filed with the agency to cover the entry of many thousands of vehicles.

Assuming that manufacturers account for 90 percent of the vehicles imported under Box 2A, and that a manufacturer will, on average, report the entry of 5,000 vehicles on a single Declaration form, and that all other vehicles imported under Box 2A are declared individually, the agency projects the hour burden associated with completing the paperwork for the entry of these vehicles to be 53,541 hours per year (6,413,695 vehicles  $\times$  .9 = 5,772,325 vehicles imported by original manufacturers; 5,772,325 vehicles  $\div$  5,000 vehicles per declaration forms filed = 1,154 declaration forms being filed per year by manufacturers; assuming that a separate declaration is filed for each other vehicle imported under Box 2A yields 641,370 declarations being filed per year for these vehicles; 641,370 + 1,154 = 642,524 declarations per year; 0.08333 hours to complete each declaration  $\times$  642,524 declarations = 53,541 hours).

**c. Importation of conforming Canadian-market vehicles for personal use under Box 2B:** A motor vehicle that is certified by its original manufacturer as complying with all applicable

Canadian motor vehicle safety standards can be imported by an individual for personal use under Box 2B. To accomplish the entry, the importer must furnish Customs with a letter from the vehicle's original manufacturer confirming that the vehicle conforms to all applicable U.S. Federal motor vehicle safety, bumper, and theft prevention standards, or that it conforms to all such standards except for the labeling requirements of Standard Nos. 101 *Controls and Displays* and 110 or 120 *Tire Selection and Rims*, and/or the requirements of Standard No. 108 *Lamps, Reflective Devices, and Associated Equipment* relating to daytime running lamps. A total of 1,246 vehicles were declared under Box 2B in 2013. In 2014, a total of 1,245 vehicles were declared under Box 2B and in 2015, 2,396 vehicles were declared under that box. Assuming these figures represent a fair approximation of the volume of vehicles imported under Box 2B in those three calendar years, the agency projects that roughly 1,629 vehicles will be imported under Box 2B in each of the next three calendar years. Assuming that a separate HS-7 Declaration form is filed for each of these vehicles, the hour burden associated with the completing the paperwork for the entry of these vehicles will be 136 hours per year (1,629 vehicles X 0.08333 hours per entry = 136 hours).

**d. Importation of nonconforming vehicles by registered  
importers under Box 3:**

**Statutory and Regulatory Background**

Section 30112(a) of Title 49, U.S. Code prohibits, with certain exceptions, the importation into the United States of a motor vehicle manufactured on or after the date an applicable Federal motor vehicle safety standard (FMVSS) takes effect, unless the motor vehicle was manufactured in compliance with the standard and was so certified by its original manufacturer. Under one of the exceptions to this prohibition, found at 49 U.S.C. 30141, a nonconforming vehicle can be imported into the United States provided 1) NHTSA decides that the vehicle is eligible for importation, based on its capability of being modified to conform to all applicable FMVSS, and 2) it is imported by a registered importer (RI), or by a person who has a contract with an RI to bring the vehicle into conformity with all applicable standards following importation. Regulations implementing this statute are found at 49 CFR parts 591 and 592.

**HS-7 Declaration Form**

The regulations require a declaration to be filed (on the HS-7 Declaration Form) at the time a vehicle is imported that identifies, among other things, whether the vehicle was



originally manufactured to conform to all applicable FMVSS, and if it was not, to state the basis for the importation of the vehicle.

A nonconforming vehicle that NHTSA has decided to be eligible for importation can be imported by an RI, or by a person who has a contract with an RI to modify the vehicle so that it conforms to all applicable FMVSS, under Box 3 on the HS-7 Declaration form. As previously noted, the volume of imports under Box 3 has greatly increased in recent years. In 2013, 36,266 vehicles were imported under Box 3; in 2014, 73,809 vehicles were imported; and in 2015, 216,812 vehicles were imported. Based on these figures, the agency projects that 109,000 vehicles will be imported each year under Box 3. Assuming that volume, the hour burden associated with the completion of the HS-7 Declaration form for these vehicles will be 9,083 (0.08333 hours to complete each HS-7 X 109,000 vehicles = 9,083 hours).

#### **HS-474 Conformance Bond**

NHTSA's regulations also require an RI, among other things, to furnish a bond (on the HS-474 Conformance Bond form) at the time of entry for each nonconforming vehicle it imports, to ensure that the vehicle will be brought into conformity with all applicable safety and bumper standards within 120 days of

entry or will be exported from, or abandoned to, the United States. A HS-474 Conformance Bond has to be furnished for each nonconforming vehicle imported under Box 3. Assuming an importation volume of 109,000 vehicles per year, the hour burden associated with the completion of the HS-474 will be 10,900 hours (0.1 hours to complete each HS-474 X 109,000 vehicles = 10,900 hours).

### **Conformity Statement**

After modifying the vehicle to conform to all applicable standards, the RI submits a statement of conformity (on a suggested form) to NHTSA, which will then issue a letter permitting the bond to be released if the agency is satisfied that the vehicle has been modified in the manner stated by the RI. The statement of conformity contains a check-off list on which the RI identifies the FMVSS and other agency requirements to which the vehicle conforms as originally manufactured and the FMVSS and other requirements to which the vehicle was modified to conform. The RI also attaches to the statement of conformity documentary and photographic evidence of the modifications that it made to the vehicle to achieve conformity with applicable standards. Collectively, these documents are referred to as a "conformity package."

A conformity package must be submitted for each nonconforming vehicle imported under Box 3. Because the Canadian motor vehicle safety standards are identical in most respects to the FMVSS, there are relatively few modifications that need to be performed on a Canadian-certified vehicle to conform it to the FMVSS and the conformity packages that are submitted on these vehicles are considerably less comprehensive than those submitted for vehicles from Europe, Japan, and other foreign markets. The agency estimates that it would take the average RI no more than 30 minutes to collect information for, and assemble, a conformity package for a Canadian-certified vehicle.

Generally, more modifications are needed to conform a non-Canadian vehicle to the FMVSS. To properly document these modifications, more information must be included in the conformity package for a non-Canadian vehicle than is required for a Canadian-certified vehicle. The agency estimates that it would take an RI approximately twice as long, or roughly one hour, to compile information for, and assemble, a conformity package for a typical non-Canadian vehicle.

Of the 36,266 nonconforming vehicles imported under Box 3 in 2013, 35,973, or roughly 99.1 percent, were Canadian market and 293, or roughly 0.9 percent, were from markets other than

Canada. Of the 73,809 nonconforming vehicles imported under Box 3 in 2014, 73,467, or roughly 99.5 percent, were Canadian market and 342, or roughly 0.5 percent, were from markets other than Canada. Of the 216,812 nonconforming vehicles imported under Box 3 in 2016, 216,445 or roughly 99.8 percent, were Canadian market and 357, or roughly 0.2 percent, were from markets other than Canada. Assuming this trend continues in future years, the agency estimates the hour burden associated with the submission of conformity packages on Canadian-certified vehicles to be 54,200 hours per year (109,000 vehicles X 99.45 percent or 0.9945 = 108,400 vehicles; 108,400 vehicles X 0.5 hours per vehicle = 54,200 hours). The agency estimates the hour burden associated with the submission of conformity packages for non-Canadian vehicles to be 600 hours per year (109,000 vehicles X .55 percent or 0.0055 = 600 vehicles; 600 vehicles X 1.0 hours per vehicle = 600 hours. Adding these figures yields an estimated burden of 54,800 hours per year for the entire RI industry to compile and submit conformity packages to NHTSA on nonconforming vehicles imported under Box 3 (54,200 hours + 600 hours = 54,800 hours).

### **Import Eligibility Petition**

As previously noted, a motor vehicle that was not originally manufactured to comply with all applicable FMVSS

cannot be lawfully imported into the United States on a permanent basis unless NHTSA decides that the vehicle is eligible for importation, based on its capability of being modified to conform to those standards. Under 49 U.S.C. 30141, the eligibility decision can be based on the nonconforming vehicle's substantial similarity to a vehicle of the same make, model, and model year that was manufactured for importation into, and sale in the United States, and certified as complying with all applicable FMVSS by its original manufacturer. Where there is no substantially similar U.S.-certified vehicle, the eligibility decision must be predicated on the vehicle having safety features that are capable of being modified to conform to the FMVSS, based on destructive crash test data or such other evidence that the agency may deem adequate. The agency makes import eligibility decisions either on its own initiative, or in response to petitions filed by RIs. Only a small number of RIs (currently about 16 out of the 87 RIs registered with the agency) ever submit import eligibility petitions. Many of these businesses have, over the years, submitted multiple petitions to the agency. The agency estimates that it would take the typical RI that petitions the agency roughly two hours to complete the paperwork associated with the submission of a petition for a vehicle that has a

substantially similar U.S.-certified counterpart, and roughly twice as long, or four hours, to complete the paperwork associated with the submission of a petition for a vehicle that lacks a substantially similar U.S.-certified counterpart. In 2013, 28 import eligibility petitions were submitted to the agency. Of these, 20, or 71 percent, were for vehicles with substantially similar U.S.-certified counterparts and 8, or 29 percent, were for vehicles for which there were no substantially similar U.S. certified counterparts. In 2014, 10 import eligibility petitions were submitted to the agency. Of these, 9, or 90 percent, were for vehicles with substantially similar U.S.-certified counterparts, and 1, or 10 percent, were for vehicles for which there were no substantially similar U.S.-certified counterparts. In 2015, 15 import eligibility petitions were submitted to the agency. Of these, 14, or 93 percent, were for vehicles with substantially similar U.S.-certified counterparts, and 1, or 7 percent, were for vehicles for which there were no substantially similar U.S.-certified counterparts. Assuming this trend continues in future years, the agency estimates that roughly 18 import eligibility petitions will be submitted each year, 85 percent of which, or 15 petitions, will be for vehicles with substantially similar U.S.-certified counterparts, and 15 percent of which, or 3

petitions, will be for vehicles lacking substantially similar U.S.-certified counterparts. Based on these figures, the agency estimates that the hour burden for the paperwork associated with the submission of import eligibility petitions to be 42 hours per year (15 petitions X 2 hours per petition = 30 hours; 3 petitions X 4 hours per petition = 12 hours; 30 hours + 12 hours = 42 hours).

**e. Importation of vehicles or equipment intended**

**solely for export under Box 4:** A nonconforming vehicle or equipment item that is intended solely for export, and bears a tag or label to that effect, can be entered under Box 4 on the HS-7 Declaration form. In 2013, 45,509 vehicles were imported under Box 4. In 2014, 52,485 were imported and in 2015, the volume of Box 4 entries increased to 83,349. Based on these figures, the agency projects that an average of 63,447 vehicles will be imported under Box 4 in each of the next three years. Based on that figure, the hour burden associated with the completion of the HS-7 Declaration form for these vehicles will be under 5,287 hours (0.08333 hours to complete each HS-7 X 63,447 vehicles = 5,287 hours).

**f. Temporary importation of nonconforming vehicles by nonresidents of the United States under Box 5:** Under an international convention to which the United States is a

signatory, a nonresident of the United States can import a nonconforming vehicle for personal use, for a period of up to one year, provided the vehicle is not sold while in the United States and is exported no later than one year from its date of entry. These vehicles are entered under Box 5 on the HS-7 Declaration form. To enter a vehicle under Box 5, the importer must also furnish Customs with the importer's passport number and the name of the country that issued the passport. In 2013, a total of 322 vehicles were imported under Box 5. In 2014, 382 vehicles were imported under that box. In 2015, 193 were imported. Based on these figures, the agency estimates that roughly 300 vehicles will be imported under Box 5 in each of the next three years. Assuming that volume, the hour burden associated with the completion of the HS-7 Declaration form for these vehicles will be under 25 hours (0.08333 hours to complete each HS-7 X 300 vehicles = 24.99 hours).

**g. Temporary importation of nonconforming vehicles by foreign diplomat under Box 6:** A member of a foreign government on assignment in the United States, or a member of the secretariat of a public international organization so designated under the International Organizations Immunities Act, and within the class of persons for whom free entry of motor vehicles has been authorized by the Department of State,



can temporarily import a nonconforming vehicle for personal use while in the United States. These vehicles are entered under Box 6 on the HS-7 Declaration form. The importer must attach to the declaration a copy of the importer's official orders and supply Customs with the name of the embassy to which the importer is attached. In 2013, a total of 16 vehicles were imported under Box 6. In 2014, 11 vehicles were imported under that box. In 2015, 16 were again imported. Based on these figures, the agency estimates that roughly 14 vehicles will be imported under Box 6 in each of the next three years. Assuming that volume, the hour burden associated with the completion of the HS-7 Declaration form for these vehicles will be roughly 1 hour (0.08333 hours to complete each HS-7 X 14 vehicles = 1.16 hours).

**h. Temporary importation of nonconforming vehicles and equipment under Box 7:** Under 49 U.S.C. 30114, NHTSA is authorized to exempt a motor vehicle or item of motor vehicle equipment from the importation restriction in 49 U.S.C. 30112(a), on such terms the agency decides are necessary, for purposes of research, investigations, demonstrations, training, competitive racing events, show, or display. Regulations implementing this provision are found at 49 CFR part 591. Under those regulations, written permission from NHTSA is needed to

temporarily import a nonconforming motor vehicle or equipment item for one of the specified purposes unless the importer is a manufacturer of motor vehicles that are certified to the FMVSS. An application form that can be used to obtain the letter of permission is posted to the agency's website at [www.nhtsa.gov/cars/rules/import](http://www.nhtsa.gov/cars/rules/import). If NHTSA grants it permission, the nonconforming motor vehicle or equipment item can be temporarily imported under Box 7 on the HS-7 Declaration form. In 2013, 8,309 entries were made under Box 7. In 2014, 6,558 entries were made. In 2015, 7,319 were made. Permission letters were requested from NHTSA for 236 of the entries made in 2013, 312 of the entries made in 2014, and 336 of the entries made in 2015, representing roughly 4 percent of the total number of entries made under Box 7 in those years. The remaining entries were for vehicles and equipment imported by original manufacturers of vehicles that are certified to the FMVSS, who can temporarily import nonconforming vehicles and equipment for any of the specified purposes under Box 7 without the need for a NHTSA permission letter. Averaging the volume of imports over the past three years, the agency projects that roughly 7,395 entries will be made under Box 7 in each of the next three years. Assuming that applications for NHTSA permission letters will be submitted for 4 percent of those

entries, and that a single application will be filed for each entry, the agency estimates that 295 applications will be filed in each of the next three years. Based on the estimate that it will take roughly five minutes to complete each of those applications, the agency projects that under 25 hours will be expended on an annual basis to submit applications for permission from NHTSA to import vehicles and motor vehicle equipment under Box 7 ( $0.0833 \text{ hours per application} \times 295 \text{ applications} = 24.58 \text{ hours}$ ). Assuming that a single HS-7 Declaration form is filed for each vehicle imported under Box 7, the agency projects that under 617 hours will be expended on an annual basis in completing the declaration for vehicles imported under Box 7 ( $0.0833 \text{ hours per declaration} \times 7,395 \text{ vehicles} = 616.23 \text{ hours}$ ).

**i. Importation of off-road vehicles under Box 8:** NHTSA regulates the importation of "motor vehicles," which are defined (at 49 U.S.C. 30102) as vehicles that are driven or drawn by mechanical power and manufactured primarily for use on public streets, roads, and highways. Vehicles that are not primarily manufactured for on-road use do not qualify as "motor vehicles" under this definition, and may therefore be imported without regard to their compliance with the FMVSS. These vehicles are entered under Box 8 on the HS-7 Declaration form.

Vehicles that can be entered in this fashion include those that are originally manufactured for closed circuit racing. Although approval from NHTSA is not needed to import a vehicle that was originally manufactured for racing purposes, the agency will issue a letter recognizing a particular vehicle as having been so manufactured if the importer requests the agency to do so. An application form that can be used to obtain such a letter is also posted to the agency's website at [www.nhtsa.gov/cars/rules/import](http://www.nhtsa.gov/cars/rules/import). In 2013, applications were submitted to NHTSA for 1 vehicle imported under Box 8. In 2014, 13 applications were filed. In 2015, 25 were filed. Based on these figures, the agency projects that 13 applications to import vehicles for racing purposes under Box 8 will be submitted in each of the next three years. Assuming that it will take five minutes to complete each of these applications, the agency estimates that slightly more than 1 hour will be expended in completing these applications (0.08333 hours X 13 applications = 1.08 hours).

In 2013, a total of 207,112 off-road vehicles and equipment items were imported under Box 8. In 2014, 335,281 off-road vehicles and equipment items were imported under that box. In 2015, 421,546 were imported. Averaging those figures, the agency projects that roughly 321,323 off-road vehicles and

equipment items will be imported under Box 8 in each of the next three years. Assuming that volume, the hour burden associated with the completion of the HS-7 Declaration form for these vehicles and equipment items will be 26,776 hours (0.08333 hours to complete each HS-7 X 321,323 entries = 26,776).

**j. Importation of vehicles or equipment requiring further manufacturing operations under Box 9:** A motor vehicle or equipment item that requires further manufacturing operations to perform its intended function, other than the addition of readily attachable components such as mirrors or wipers, or minor finishing operations such as painting, can be entered under Box 9 on the HS-7 Declaration form. Documents from the manufacturer must be furnished for these entries. In 2013, 27,604 vehicles were imported under Box 9. In 2014, 45,905 vehicles were imported under that box. In 2015, 38,737 were imported. Averaging those figures, the agency projects that roughly 37,415 vehicles will be imported under Box 9 in each of the next three years. Assuming that a separate HS-7 Declaration form is filed for each of those vehicles, the agency projects that approximately 3,118 hours will be expended on an annual basis in completing the declaration for vehicles

imported under Box 9 (0.0833 hours per declaration X 37,415 vehicles = 3,118).

**k. Importation of vehicles for show or display under Box**

**10:** Vehicles that are deemed by NHTSA to have sufficient technological or historical significance that they would be worthy of being exhibited in car shows if they were brought to the United States are eligible for importation for purposes of show or display under Box 10 on the HS-7 Declaration form. Written permission from NHTSA is also needed to import a vehicle for that purpose. An application form that can be used to request the agency to decide that a particular make, model, and model year vehicle is eligible for importation for purposes of show or display is posted to the agency's website at [www.nhtsa.gov/cars/rules/import](http://www.nhtsa.gov/cars/rules/import). In 2013, the agency received zero applications to determine vehicles eligible for importation for purposes of show or display. In 2014, the agency received 2 such applications. In 2015, the agency again received zero applications. Averaging these figures, the agency projects that it will receive one application to determine vehicles eligible for importation for purposes of show or display in each of the next three years. Assuming that it will take the typical applicant up to ten hours to compile and assemble the materials needed to support each application,

the agency estimates that up to 10 hours will be expended in this activity in each of those years.

Also on the agency's website is an application form that can be used to request NHTSA to permit a particular vehicle to be imported for purposes of show or display once the agency has decided that the vehicle is of a make, model, and model year that is eligible for importation for those purposes. Certain restrictions apply to vehicles that are imported for purposes of show or display. Among those is a requirement that the vehicle not be driven in excess of 2,500 miles per year. The application specifies the terms of the importation and makes provision for the applicant to agree to those terms. In 2013, the agency received 23 applications to import specific vehicles for purposes of show or display. In 2014, the agency received 56 such applications. In 2015, the agency received 25. Averaging those figures, the agency estimates that it will receive roughly 35 applications in each of the next three years. Assuming that it will take the typical applicant up to one hour to compile and assemble the materials needed to support each application, the agency estimates that up to 35 hours will be expended in this activity in each of those years.

**1. Importation of equipment subject to the Theft Prevention Standard under Box 11:** Items of motor vehicle equipment that

are marked in accordance with the Theft Prevention Standard in 49 CFR part 541 are entered under Box 11 on the HS-7 Declaration form. In 2013, there were 7,513 entries under Box 11. In 2014, there were 8,675 such entries. In 2015 there were 4,509. Averaging these figures, the agency estimates that 6,899 entries will be made under Box 11 in each of the next three years. Assuming that it will take five minutes to complete each of these entries, the agency projects that under 575 hours will be expended on an annual basis in making these entries for equipment imported under Box 11 (0.0833 hours per declaration X 6,899 declarations = 574.89 hours).

**m. Temporary importation of nonconforming vehicles by foreign military personnel under Box 12:** A member of the armed forces of a foreign country on assignment in the United States can temporarily import a nonconforming vehicle for personal use during the member's tour of duty under Box 12 on the HS-7 Declaration form. In 2013, a total of 33 vehicles were imported under Box 12. In 2014, 21 such vehicles were imported. In 2015, 51 were imported. Averaging these figures, the agency projects that roughly 35 vehicles will be imported under Box 12 in each of the next three years. Assuming that volume, the hour burden associated with the completion of the HS-7 Declaration form for these vehicles will be under 3 hours



(0.08333 hours to complete each HS-7 X 35 vehicles = 2.92 hours).

**n. Importation of vehicles to prepare import eligibility petitions under Box 13:** A nonconforming vehicle imported by an RI for the purpose of preparing a petition for NHTSA to decide that a particular make, model, and model year vehicle is eligible for importation is entered under Box 13 on the HS-7 Declaration form. A letter from NHTSA granting the importer permission to import the vehicle for that purpose must be filed with the declaration. NHTSA has issued guidance to inform RIs that it will permit no more than two vehicles to be imported for the purpose of preparing an import eligibility petition. Box 13 was incorporated into the HS-7 Declaration form when that form was last revised in May, 2006. The agency received requests to permit the importation of 26 vehicles under Box 13 in 2013, 9 in 2014, and 14 in 2015. Averaging these figures, the agency projects that roughly 16 vehicles will be imported under Box 13 in each of the next three years. Assuming that volume, the hour burden associated with the completion of the HS-7 Declaration form for these vehicles will be under 2 hours (0.08333 hours to complete each HS-7 X 16 vehicles = 1.33 hours).

**2. Information collected from applicants for RI status and existing RIs seeking to renew their registrations:** Under 49 U.S.C. 30141, a motor vehicle that was not originally manufactured to comply with all applicable FMVSS cannot be lawfully imported into the United States on a permanent basis unless 1) NHTSA decides it is eligible for importation, based on its capability of being modified to conform to all applicable FMVSS and 2) it is imported by an RI or by a person who has a contract with an RI to modify the vehicle so that it complies with all applicable FMVSS following importation. NHTSA is authorized by 49 U.S.C. 30141(c) to establish, by regulation, procedures for registering RIs. Those regulations are found in 49 CFR part 592.

**a. Information collected from applicants:** Under the terms of the regulations in part 592, an applicant for RI status must submit to the agency information that identifies the applicant, specifies the manner in which the applicant's business is organized (i.e., sole proprietorship, partnership, or corporation), and, depending on the form of organization, identifies the principals of the business. The application must also state that the applicant has never had a registration revoked and identify any principal previously affiliated with another RI. The application must also provide the street

address and telephone number in the United States of each facility for the conformance, storage, and repair of vehicles that the applicant will use to fulfill its duties as an RI, including records maintenance, and the street address in the United States that it designates as its mailing address. The applicant must also furnish a business license or other similar document issued by a State or local authority authorizing it to do business as an importer, seller, or modifier of motor vehicles, or a statement that it has made a bona fide inquiry and is not required by any State or local authority to maintain such a license. The application must also set forth sufficient information to allow the Administrator to conclude that the applicant 1) is technically able to modify nonconforming vehicles to conform to applicable Federal motor vehicle safety and bumper standards, 2) owns or leases one or more facilities sufficient in nature and size to repair, conform, and store the vehicles for which it furnishes statements of conformity to NHTSA, 3) is financially and technically able to provide notification of and a remedy for a noncompliance with an FMVSS or a defect related to motor vehicle safety determined to exist in the vehicles it imports, and 4) is able to acquire and maintain information on the vehicles that it imports and the owners of those vehicles so that it can notify the owners if a

safety-related defect or noncompliance is determined to exist in such vehicles. The application must also contain a statement that the applicant will abide by the duties of an RI and attest to the truthfulness and correctness of the information provided in the application. A brochure containing sample documents that an applicant may use in applying to become an RI is posted to the agency's website at [www.nhtsa.gov/cars/rules/import](http://www.nhtsa.gov/cars/rules/import). In 2013, NHTSA received 4 applications for RI status. In 2014, the agency received 5 applications of this kind. In 2015, the agency received 10. Based on these figures, the agency anticipates that it will receive 6 applications for RI status in each of the next three years. Assuming that it will take up to ten hours to compile and assemble the material needed to support a single application, the agency estimates that 60 hours will be expended in this activity for each of the next three years (6 applications X 10 hours = 60 hours).

**b. Information collected from existing RIs:** To maintain its registration, an RI must file an annual statement affirming that all information it has on file with the agency remains correct and that it continues to comply with the requirements for being an RI. Formats that existing RIs may use to renew their registrations are included in a newsletter sent

electronically to each RI before the renewal is due and posted to the agency's website at [www.nhtsa.gov/cars/rules/import](http://www.nhtsa.gov/cars/rules/import). The number of RI renewals increased in recent years on account of the strengthening of the U.S. dollar against the Canadian dollar, and the concomitant increase in the volume of vehicles imported from Canada. In 2013, NHTSA received renewal packages from 62 RIs. In 2014, the agency received 66 renewal packages. In 2012, the agency received 65. Based on these figures, the agency anticipates that it will receive an average of 64 renewal packages in each of the next three years. Assuming that it will take up to two hours to compile and assemble the material needed to support a single application for renewal, the agency estimates that 128 hours will be expended in this activity for each of the next three years (64 renewal applications X 2 hours = 128 hours).

**3. Information to be retained by RIs:** The agency's regulations at 49 CFR 592.6(b) require an RI to maintain and retain certain specified records for each motor vehicle for which it furnishes a certificate of conformity to NHTSA, for a period of 10 years from the vehicle's date of entry. As described in the regulations, those records must consist of "correspondence and other documents relating to the importation, modification, and substantiation of certification

of conformity to the Administrator." The regulations further specify that the records to be retained must include (1) a copy of the HS-7 Declaration Form furnished for the vehicle at the time of importation, (2) all vehicle or equipment purchase or sales orders or agreements, conformance agreements with importers other than RIs, and correspondence between the RI and the owner or purchaser of each vehicle for which the RI furnishes a certificate of conformity to NHTSA, (3) the last known name and address of the owner or purchaser of each vehicle for which the RI furnishes a certificate of conformity, and the vehicle identification number (VIN) of the vehicle, and (4) records, both photographic and documentary, reflecting the modifications made by the RI, which were submitted to NHTSA to obtain release of the conformance bond furnished for the vehicle at the time of importation. See 49 CFR 592.6(b) (1) through (b) (4) .

The latter records are referred to as a "conformity package." Most conformity packages submitted to the agency covering vehicles imported from Canada are comprised of approximately six sheets of paper (including a check-off sheet identifying the vehicle and the standards that it was originally manufactured to conform to and those that it was modified to conform to, a statement identifying the recall

history of the vehicle, a copy of the HS-474 conformance bond covering the vehicle, and a copy of the mandatory service insurance policy obtained by the RI to cover its recall obligations for the vehicle). In addition, most conformity packages include photographs of the vehicle, components that were modified or replaced to conform the vehicle to applicable standards, and the certification labels affixed to the vehicle. Approximately 120 conformity packages can be stored in a cubic foot of space. Based on projected imports of 109,000 nonconforming vehicles per year, 908.33 cubic feet of space will be needed on an industry-wide basis to store one year's worth of conformity packages. Assuming an annual cost of \$20 per cubic foot to store the information, NHTSA estimates the aggregate cost to industry for storing a year's worth of conformity packages to be \$18,167 per year.

RIIs are also required under 49 CFR 592.6(b) to retain a copy of the HS-7 Declaration Form furnished to Customs at the time of entry for each nonconforming vehicle for which they submit a conformity package to NHTSA. Paper HS-7 Declaration Forms are only filed for a small fraction of the nonconforming vehicles imported into the United States. Customs brokers file entries for most nonconforming vehicles electronically by using the Automated Broker Interface (ABI) system. For example, in

Calendar year 2010, 17,645 ABI entries were made for nonconforming vehicles imported into the United States under Box 3, and only 365 paper HS-7 Declaration Forms (representing just two percent of the total) were filed for such vehicles. Because HS-7 Declaration Forms are filed for only a small fraction of the nonconforming vehicles that are imported by RIs, the storage requirement for those records can have no more than a negligible cost impact on the industry. Because the remaining records that RIs are required to retain under 49 CFR 592.6(b) may be stored electronically, the costs incident to the storage of those records should also be negligible.

RIs who conduct recall campaigns to remedy a safety-related defect or a noncompliance with an FMVSS determined to exist in a vehicle they import must report the progress of those campaigns to NHTSA. The agency estimates that it should take each RI that is required to conduct a safety recall campaign approximately one hour to compile information for, and prepare each of the two reports it would be required to submit to the agency detailing the progress of the recall campaign. Since vehicle manufacturers in most cases include vehicles imported by RIs in their own recall campaigns, it is likely that very few of these reports would have to be prepared or submitted by RIs.



*Description of the Need for the Information and Proposed Use of the Information*— The information collection detailed above is necessary to ensure that motor vehicles and items of motor vehicle equipment subject to the Federal motor vehicle safety, bumper and theft prevention standards are lawfully imported into the United States. To be lawfully imported, the vehicle or equipment item must be covered by one of the boxes on the HS-7 Declaration form and the importer must declare, subject to penalty for making false statements, that the vehicle or equipment item is entitled to entry under the conditions specified on the form, including the provision of any supporting information or materials that may be required.

NHTSA relies on the information provided by RIs and applicants for RI status to obtain and renew their registrations so that it can better ensure that RIs are meeting their obligations under the statutes and regulations governing the importation of nonconforming vehicles and can make more informed decisions in conferring RI status on applicants and in permitting RI status to be retained by those currently holding registrations. In this manner, those lacking the capability to responsibly provide RI services, or who have committed or are associated with those who have committed past violations of the vehicle importation laws, can be more readily denied

registration as an RI, or if they already hold such a registration, have that registration suspended or revoked when circumstances warrant such action.

*Description of the Likely Respondents (Including Estimated Number and Proposed Frequency of Responses to the Collection of Information)*— With regard to the HS-7 Declaration form, likely respondents include any private individual or commercial entity importing into the United States a vehicle or item of motor vehicle equipment subject to the Federal motor vehicle safety standards. It is difficult to estimate, with reliability, the absolute number of such respondents; however, that number would include:

- the 87 RIs who are currently registered with NHTSA and import nonconforming vehicles under Boxes 3 and 13;
- the roughly 1,629 individuals who import each year Canadian-certified vehicles for personal use under Box 2B;
- the several hundred original manufacturers who import conforming motor vehicles and equipment items under Box 2A; nonconforming vehicles or equipment intended for export under Box 4; nonconforming vehicles and equipment on a temporary basis for purposes of research, investigations, or other reasons specified under Box 7; vehicles and equipment requiring further manufacturing

operations under Box 9; and equipment subject to the Theft Prevention Standard under Box 11.

- the several hundred dealers, distributors, and individuals who import off-road vehicles such as dirt bikes and all-terrain vehicles or ATVs, as well as other vehicles that are not primarily manufactured for on-road use under Box 8.
- the several hundred nonresidents of the United States and foreign diplomatic and military personnel who temporarily import nonconforming vehicles for personal use under Boxes 5, 6, and 12.

*Estimate of the Total Annual Reporting and Recordkeeping Burden of the Collection of Information*— Adding together the burden hours detailed above yields a total of 252,263 hours expended on an annual basis for all paperwork associated with the filing of the HS-7 Declaration form and other aspects of the vehicle importation program.

*Estimate of the Total Annual Costs of the Collection of Information*— Other than the cost of the burden hours, the only additional costs associated with this information collection are the \$18,167 cost to the industry, per year for the storage of records pertaining to the nonconforming vehicles that each RI imports into the United States.

**Authority:** 44 U.S.C. 3506(c); delegation of authority at 49 CFR 1.50 and 501.8(f).

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